

AZ Ready Funding Taskforce Recommendations

Guiding Principles

1. Schools should drive improved student achievement and academic growth so that by 2020 more than 93% of Arizona students graduate from high school college and career ready
2. The state should structure its budget to most efficiently utilize its resources and to drive action at the local level that improves student achievement
3. The state should pass/repeal statutory and regulatory requirements that promote/discourage thoughtful activity at the local level that improves student achievement
4. Local flexibility with regulatory requirements and the use of funds should be based on local performance
5. The state should reform the facets of the school finance system that are most prone to fraud, waste, and abuse
6. That state should move toward a school finance system that is nimble, can easily be updated, and allows for innovation at the local level

Context

The current school finance system allocates the vast majority of its resources based on a school's enrollment during the first 100 days of the school year. Of what schools receive, 60%-80% (billions in state and local taxes in Arizona) is spent on salaries and benefits for teachers and staff that are largely determined by years of experience and educational attainment, both of which are not correlated with student achievement and academic growth.

Other than the pressures created by school choice, the school finance system provides no direct incentives for schools to increase student achievement and academic growth. Arizona must plot a workable path to a school finance system that rewards schools both for increasing enrollment **and** increasing student achievement and academic growth.

The recommendations below are focused on the operating side of the school finance system. Significant reforms are needed on the capital side of the system that are not currently being addressed by the Arizona Ready Funding Taskforce.

Reviewed Recommendations

1. Over a set period, repeal the Teacher Experience Index and the 1.25% base level increase for school districts that implement teacher evaluations and allocate those funds according to measures more correlated with student achievement and academic growth.
2. Provide schools with a bonus for every AP and IB Exam a student passes.
3. Provide a per pupil performance incentive to 'A' schools and to schools that move up one grade level year-over-year who also meet certain benchmarks tied to the Arizona Ready Goals.
4. For 'C,' 'D,' and 'F' LEAs, make the optional 200 day school year more financially feasible.

Recommendations to Present to Funding Taskforce

1. Create a workable outcome-based funding pilot program
2. Create another pilot program to encourage districts to move principal and teacher compensation structures away from steps and lanes to one more closely aligned to performance, market demand, and workloads
3. Request ADE to publish and disseminate productivity charts
4. Request a study of ADE's federal administrative and indirect funds in order to better leverage those dollars
5. Require school districts to clearly highlight their district grade in their bond election publicity pamphlets
6. Prohibit AOs from receiving funding during the summer months for a student who has generated a full ADM during the previous school year
7. Separate the budgets for district-sponsored charter schools from their districts' budgets

Other Areas to Explore for Funding Reform Recommendations

1. School Improvement Process
 - a. Create a turnaround process similar to the charters' performance management process
 - b. Improve turnaround teams
 - c. Require district governing boards with F schools to replace the schools' management with an organization that already has an established track-record of success
2. School Accountability Process
 - a. Include additional measures in the A-F grading system

Districts within states vary on spending, outcomes, & ROI

Minnesota

Identify high-achieving, low-spending school districts

